

TOMORROW'S WORKPLACE PROGRAM 2015 STATUS REPORT

EXECUTIVE SUMMARY

Tomorrow's Workplace (TW) is a five year Council approved transformational change initiative that will result in The Corporation being able to accommodate growth and avoid future real estate costs. This will be done by increasing The Corporation's use and proficiency with mobile technology, flexible workstyles and flexible workspaces.

Tomorrow's Workplace and the three founding partners, Human Resources (HR), Information Technology (IT) and Corporate Properties & Buildings (CPB), have made significant progress with numerous foundational and implementation projects (Attachment 1). Highlights include expanding the corporate Wi-Fi network, conducting occupancy studies, and building a flexible work hub for all employees. To ensure the change to flexible working is managed well and can be sustained into the future, emphasis for the balance of the Program will be on Early Adopter initiatives with specific business units (311, Roads and Corporate Properties & Buildings), which will test the technology, human resource training, workspace design and operational requirements necessary to move The Corporation forward with flexible work. The Program has been building awareness with employees and leadership on the strategies and benefits of flexible working through an ongoing corporate communications strategy.

In Action Plan 2015-2018 a corporate space efficiency target has been established to avoid future real estate costs by decreasing 10% of assigned office workstations by 2018. This emphasis, combined with a targeted exercise of integrated planning and budgeting analysis by the TW team and founding partners, has resulted in cost efficiencies that reduce the Program Budget by \$2.5 million (reduced draw of \$2.5m on the Reserve for Future Capital (RFC)).

ADMINISTRATION RECOMMENDATION(S)

That the Land and Asset Strategy Committee recommend that Council:

1. Direct Administration to report back to Council through Land and Asset Strategy Committee with a follow up status report no later than Q2 2016; and
2. Approve the reduction of the Tomorrow's Workplace Program budget and funding from the Reserve for Future Capital by \$2.5M from \$29.8M to \$27.3M and reduce the payback to the Reserve for Future Capital by \$2.5M from \$18.8M to \$16.3M.

RECOMMENDATIONS OF THE LAND AND ASSET STRATEGY COMMITTEE, DATED 2015 JUNE 25:

That the Administration Recommendations contained in Report LAS2015-17 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2014 September 18 Council approved Tomorrow's Workplace 2014 status report and directed Administration to report back to Council through Land and Asset Strategy Committee with a follow up status report no later than Q2 2015.

BACKGROUND

Tomorrow's Workplace was created in 2012 to investigate ways to avoid 750 conventional workspaces by 2020 and the associated real estate costs to accommodate administrative

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growth. In addition to accommodating growth, TW is also responding to Council's other strategic objectives for this initiative:

- Attract and retain productive employees through flexible workstyles;
- Enable more accessible and convenient services to citizens;
- Reduce the corporate environmental footprint; and
- Enable an innovative and collaborative workplace.

As a change catalyst for The Corporation, TW is readying the organization for flexible work by preparing for, managing and reinforcing the change. This is being accomplished through employee and leadership awareness initiatives, the delivery of foundational projects and the implementation of three defined early adopter projects, which will progress the transition of learnings into repeatable practices in operations.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Attachment 1 presents details on the actions and achievements over the last year. To date, significant program emphasis has been placed on building awareness of the strategies and benefits of flexible working to prepare the organization to work more flexibly. Awareness initiatives have been delivered through a portfolio communications strategy, focussing on employees and leaders across The Corporation.

The TW Program space utilization study revealed a 34% occupancy rate which confirmed many employees work away from their desks for part of their day or days in the week. The City's Wi-Fi has been upgraded and expanded to cover 22 City buildings which enables staff to work more efficiently from more locations. In the fall of 2014, the Flexwork Hub was opened in the Municipal Complex. This central, corporate drop-in workspace was created by converting 10 conventional workstations into a multi-functional space that supports up to 37 staff. In the first three months the Hub saw over 3500 visitors. This pilot space will inform the design and locations of future hubs across the city.

To ensure the transformational change to flexible working is managed well and can be sustained in the future, the balance of the Program will primarily focus on delivering three defined Early Adopter initiatives. These initiatives will test the technology, human resource training, workspace design and operational requirements to move operations to the future state.

1. 311 Early Adopter Project

A pilot project with Customer Service & Communications that will enable a small group of 311 agents to work from home, increasing 311's capacity to respond quickly and effectively to citizens during peak periods and in the event of an emergency.

2. CPB Early Adopter Project

A project on how to communicate and to implement good information management practices that enable a flexible work environment, increase staff mobility and position CPB to increase the efficiency of its space.

3. Roads Early Adopter Project (Manchester, Building E)

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The project will enable Roads to grow without growing, achieve the space efficiency target, increase collaboration among business areas and provide efficient services to citizens. Through reducing Roads footprint, part of the main floor will be released for Corporate opportunities such as a citizen facing permit counter and a corporate Flexwork Hub.

In addition to these Early Adopter projects, the Program team, together with operations, will continue to support the organization through "lighter touch" initiatives which will support the adoption of mobility and help departments achieve the space efficiency target. Successful results of the targeted communications campaigns, positive employee experiences using the Flexwork Hub, and the successful adoption of the corporate space efficiency target into the 2015-2018 Action Plan have created more demand for changes in space, technology and training. There is a need to focus the balance of the Program's efforts on accelerating the integration of flexible work strategies into operations, specifically through an integrated planning and budgeting process and focus on developing an accommodation rollout plan.

Stakeholder Engagement, Research and Communication

Internally, as stated above, TW has focussed on a number of engagement initiatives with employees and leaders to ensure they are aware of the Program's work, why it is important and the future of flexible work at The City.

Externally, The City's innovative approach to achieving valuable outcomes through flexible work in a municipal environment is increasingly being recognized across the country as a municipal best practice. A feature in Sync magazine profiles TW as one of the initiatives that is helping public services respond to citizen demand, and an article in an International Facilities Management Association (IFMA) publication is due to be released later this year. TW has also been presented numerous times as a City case study to organizations looking to implement change and flexible work environments.

Strategic Alignment

Tomorrow's Workplace was identified as a corporate "How " initiative in the Action Plan 2015-2018 process and all departments have included a space efficiency target of decreasing 10% of their assigned office workstations by 2018 (2012 baseline).

This report's recommendations are aligned with Council's direction for the 2015-2018 Action Plan:

- A well-run City: Calgary's government is open, responsive, accountable and transparent, delivering excellent services at a fair price. We work with our government partners to ensure we have the tools we need.

The TW team is working closely with the newly created Integrated Civic Facility Program to inform how mobility will support the rationalization and optimization of the facilities portfolio generally and more specifically look at location criteria for future Flexwork Hubs, the optimization of administrative space and opportunities for distributed service models to be incorporated into a Corporate Workplace Strategy and Integrated Civic Facility Plan.

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Social, Environmental, Economic (External)

Social

- Flexibility of service delivery will provide citizens with greater choice in how they engage with municipal services;
- Flexible workstyles will attract and retain talent and increase employee satisfaction and loyalty; and
- Flexible work schedules and flexible workspaces will enable work-life balance, employee well-being and research has indicated, increased productivity

Economic

- Flexible workstyles and flexible workspaces will enable The Corporation to avoid future real estate costs;
- Flexible workstyles and flexible workspaces can support seamless business continuity in the event of a workplace disruption (e.g. snow day, pandemic, natural disaster, labour disruption, etc)
- Evidence suggest that flexible workstyles can reduce absenteeism;

Environmental

- Reducing car trips for both the employees and customers will reduce carbon emissions;
- Flexible workstyles can contribute to reduced peak hour traffic congestion;
- Distributed service delivery and facility sharing can potentially reduce the corporate environmental footprint

Financial Capacity

Current and Future Operating Budget:

None with this report.

Current and Future Capital Budget:

Through an integrated planning and review process between the TW Program and related programs in CPB and IT, efficiencies of \$2.5M have been identified. The TW Program will reduce the TW budget and the draw on the RFC by \$2.5M, with a corresponding reduced payback to the RFC of \$2.5M from \$18.8M to \$16.3M.

In BPBC3, 2012-2014, Corporate Services repaid to the Reserve for Future Capital \$0.8m. At the end of Q2 2015, the TW Program has expended \$9.2M of the budget and has developed a detailed plan to deliver the remaining program initiatives within the reduced budget.

Risk Assessment

An increase in demand for changes in space, technology and training is higher than anticipated. In response, emphasis has been placed on working with operations to support the demand and accelerate the integration of mobility into their business processes. However, expectations will need to be managed. Initiatives underway to accelerate the response to customer demand are:

- Working on a four year accommodation roll out plan with CPB

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- Working with HR to manage the change and support the people side of mobility – employee productivity, efficiency and effectiveness
- Working with IT to continuously support awareness for and proficiency with rapidly changing mobile technology

REASON(S) FOR RECOMMENDATION(S):

To provide Council with an annual update on progress of the Tomorrow's Workplace Program.

ATTACHMENT(S)

Attachment 1: Overview of Current Tomorrow's Workplace Projects and Initiatives